

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CHRYSLER GROUP LLC,

Plaintiff,

v.

EAGLE AUTO-MALL CORP.,

Case No. _____

Defendant.

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NOTICE OF REMOVAL TO UNITED STATES DISTRICT COURT

PLEASE TAKE NOTICE that, pursuant to 28 U.S.C. § 1332, § 1441, and § 1446 the above captioned action, which is currently pending in the Circuit Court for the County of Oakland, State of Michigan, is hereby removed by Defendant Eagle Auto-Mall Corp. (“Eagle”). In support of this notice, Eagle states as follows:

STATEMENT OF GROUNDS FOR REMOVAL

1. As set forth below, this Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332. *First*, removal of this action is proper because diversity of citizenship exists between the parties. *Second*, the amount in controversy exceeds \$75,000, satisfying the requirements of 28 U.S.C. § 1332.

BACKGROUND

2. On July 2, 2014, plaintiff Chrysler Group, LLC (“Chrysler”) filed an action against Eagle Auto-Mall Corp., (“Eagle”) in the Circuit Court for the County of Oakland. The gravamen of the Complaint revolves around Eagle’s alleged breach of the Eagle Letter of Intent (“Eagle LOI”). (Compl., Ex. A, ¶ 2). The Eagle LOI was issued by Chrysler in accordance with the ruling of an arbitrator in a hearing held pursuant to Section 747 of the Consolidated Appropriations Act of 2010. (Compl., Ex. A, ¶ 12). Per the Eagle LOI, Chrysler agreed to enter into a Jeep Sales and Service Agreement with Eagle if Eagle provided a facility for the exclusive display, sales and service of the Chrysler and Jeep vehicles lines that complied with the provisions of the Eagle LOI within a specified timeframe. (Eagle LOI., Ex. B, p 1).

3. Chrysler’s Complaint contains claims for declaratory relief (Count I), and anticipatory breach of the Eagle LOI (Count II). (A copy of the plaintiff’s Complaint is attached as Exhibit A).

4. The Eagle LOI became effective as of February 27, 2014. The LOI provides that Eagle will renovate an existing facility to meet the facility requirements set forth in the LOI. (Eagle LOI., Ex. B, p 5).

5. Despite the fact that no deadlines have passed, and that Eagle has submitted plans and specifications to Chrysler multiple times, which Chrysler continues to reject, Chrysler alleges that Eagle has materially breached the LOI. In support of its claims, Chrysler alleges that Eagle has not yet provided adequate architectural plans and specifications, and that Eagle has confirmed it is unable to complete the renovation by the required date. (Compl., Ex. A, ¶ 23).

6. These allegations form the basis for Chrysler's Complaint.

7. Pursuant to 28 U.S.C. § 1446(b), this action was properly removed within 30 days of notice of the filing of the Verified Complaint.

REMOVAL IS PROPER UNDER 28 U.S.C. § 1441

8. Removal is proper under 28 U.S.C. § 1441 when a federal court has original jurisdiction over a civil action. As expressed more fully below, this Court has original jurisdiction over this matter pursuant 28 U.S.C. § 1332 because the action is between citizens of different states and the amount in controversy exceeds \$75,000 exclusive of interest and costs.

A. There is Diversity of Citizenship

9. There is diversity of citizenship. The action is between citizens of different states. Chrysler is a limited liability company organized and existing under Delaware law with its principal place of business in Auburn Hills, Michigan. (Compl., Ex. A, ¶ 4). Eagle Auto-Mall is a corporation organized and existing under New York law with its principal place of business in Riverhead, New York. (Compl., Ex. A, ¶ 5).

B. The Amount in Controversy Is Satisfied.

10. In order to have original jurisdiction on the basis of diversity of citizenship, the amount in controversy must be in excess of \$75,000. 28 U.S.C. § 1332. Chrysler's Complaint states that the amount in controversy exceeds \$25,000, which is the jurisdictional minimum for the lower court. (Compl., Ex. A, ¶ 7). However, the true amount in controversy is substantially higher because, as Chrysler states in its Complaint, "the Eagle LOI obligates Eagle to renovate an existing automotive facility that, when completed, will be used to display, sell and service the Chrysler and Jeep vehicles lines." The total cost of this renovation is stated to be approximately \$920,000.00. (Ex. C, Letter dated May 6). The total cost of constructing a new service facility is stated to be approximately \$2,227,000.00. *Id.* Furthermore, the subject matter of the LOI is the issuance of Chrysler and Jeep franchises to Eagle, the value of which unquestionably exceed \$75,000. Thus, the amount in controversy greatly exceeds \$75,000 and satisfies the requirements of 28 U.S.C. § 1332.

CONCLUSION

11. For the reasons set forth above, this Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332(a) and removal of the action to this Court is proper pursuant to 28 U.S.C. § 1441(a).

12. Copies of all process, pleadings and orders served upon Eagle are filed herewith pursuant to 28 U.S.C. § 1446(a) and attached to this Notice. The Complaint is attached as Exhibit A. The Eagle Letter of Intent is attached as Exhibit B. The May 6, 2014 letter from William S. Pye of CDI Douglass & Pye, Inc. discussing the cost of renovations under the LOI is attached as Exhibit C. Chrysler's First Set of Interrogatories is attached as Exhibit D. Chrysler's First Request for Production of Documents is attached as Exhibit E.

13. Pursuant to 28 U.S.C. § 1446(d), Eagle states that it shall promptly file a copy of this Notice with the Clerk of the Circuit Court for Oakland County, Michigan.

Dated: July 29, 2014

Respectfully submitted,

By:



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Removed from:
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Michigan County of Oakland
Case No. 2014-141661-CB

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CERTIFICATE OF SERVICE

I hereby certify that on July 29, 2014, I electronically filed the foregoing papers with the Clerk of the Court using the ECF system which will send electronic notices of same to all counsel of record.

s/Sherri Sikorski
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